

DIVISION OF REAL ESTATE
DEANNA SABEY, DIRECTOR
DEPARTMENT OF COMMERCE
P.O. BOX 146711
160 EAST 300 SOUTH
SALT LAKE CITY, UTAH 84114-6711
Telephone: (801) 530-6747

BEFORE THE DIVISION OF REAL ESTATE OF
THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

In the Matter of the Application of **DARON
WILSON LEBLANC** to Act as a Mortgage
Loan Originator

ORDER ON APPLICATION

Case No. MG-10-51828

On September 30, 2010, the Utah Division of Real Estate (Division) sent a notice of informal proceeding by certified mail to Daron Wilson LeBlanc (Applicant). The notice informed Applicant that an informal adjudicative proceeding would be held before the Utah Residential Mortgage Regulatory Commission (Commission) on November 3, 2010 at 10:00 A.M. Mountain Time to determine whether he meets the licensing criteria found in Utah Code Ann. § 61-2c-203 (2010) to practice as a mortgage loan originator. The hearing took place as scheduled. The Division was represented at the proceeding by Assistant Attorney General Judith Jensen. Applicant appeared and represented himself. Andy Iorg also appeared and testified on Applicant's behalf. The Director of the Division (Director), pursuant to a grant of authority from the Commission and on its behalf, now enters the following findings of fact, conclusions of law, and order.

FINDINGS OF FACT

On October 5, 2007, Applicant pleaded guilty to two counts of securities fraud, both class A misdemeanors. The charges arose out of mortgage-related business activities Applicant

conducted from approximately May through November of 2002. During this time, Applicant solicited friends and family to invest in National Mortgage, a company he and two other partners were operating. The company proposed to generate mortgage loan leads by establishing kiosks in local malls, with a sister company concurrently operating to process and close the loans. However, the project was not registered with the Utah Division of Securities, nor was Applicant licensed to sell securities. Therefore, Applicant was charged as outlined above. He was sentenced to suspended prison terms, ordered to pay restitution of \$39,370 plus interest, placed on probation for 36 months, and ordered to complete 100 hours of community service. On January 7, 2009, the court found that Applicant had fully satisfied the restitution judgment. On October 22, 2010, the court formally terminated Applicant's probation.

Applicant's actions in soliciting investors for National Mortgage also gave rise to an investigation by the Utah Division of Securities, which Applicant resolved through a stipulation and consent order dated January 20, 2009. In addition to alleging that Applicant sold securities without being properly licensed and that the securities he sold were unregistered, the order also states that Applicant made false statements, withheld material information from investors, and engaged in acts, practices, or courses of business that would operate as a fraud or deceit.

Applicant testified that these allegations are true up to a point, but explained that he never intended to operate illegally or to defraud the investors he solicited. He believed that the company's operations were legal because he had an attorney review a prospectus prepared by one of the other partners, and the attorney told Applicant that everything appeared to be in order. In addition, his own review of the prospectus convinced him that the investments made by his friends and family members were safe and had a good chance of being profitable. When he became aware that his partners might be engaging in deceptive practices, he immediately

disassociated himself from the project and immediately advised the investors he had solicited to pull out.

In his testimony, Applicant acknowledged that he did not engage in adequate due diligence in investigating the project and his partners. He assured the Commission and Director that he has learned a great deal from his mistakes, has paid significantly for them, and will not again allow himself to become involved in any type of questionable business or business practice. Mr. Iorg, who has worked with Applicant professionally, also testified to Applicant's honesty and ethics and offered the Commission and Director his assurances that Applicant can be trusted to serve the public well in the mortgage industry.

CONCLUSIONS OF LAW

Utah Code Ann. § 61-2c-203(1) (2010) requires that the Division and Commission determine whether an applicant demonstrates financial responsibility, good moral character, integrity, truthfulness, and the competence to transact the business of residential mortgage loans, including general fitness such as to command the confidence of the community and to warrant a determination that the person will operate honestly, fairly, and efficiently. Utah Administrative Code § R162-2c-202 requires the Division and Commission to consider an applicant's criminal history and any history of regulatory action in making that determination.

The Commission and Director find that Applicant's actions in selling securities without being appropriately licensed and without first registering the securities resulted from his lack of knowledge and understanding, not from an intent to defraud others. The Commission and Director also note that Applicant has made whole all of the investors who were injured by his actions. Therefore, they conclude that Applicant possesses the character, integrity and truthfulness required of a mortgage loan officer. Even so, his actions raise serious concerns about

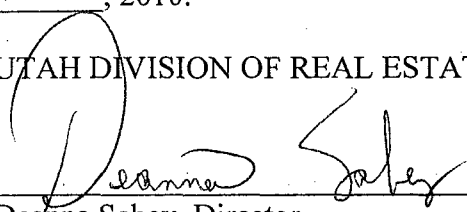
his financial responsibility and his competence to operate as a mortgage loan officer in a manner that would command the confidence of the community. Therefore, upon consideration of all circumstances, the Commission and Director find that issuing a probationary license is justified.

ORDER

Based on the above findings of fact and conclusions of law, Daron Wilson LeBlanc's application for licensure as a mortgage loan originator is granted with restriction. The license is placed on probation for the initial licensing period, which ends December 31, 2011. During the probationary period, Mr. LeBlanc shall comply with all laws and with the rules regulating his profession, and shall conduct himself in a way that demonstrates his qualification and fitness for continuing licensure as a mortgage loan originator. This order shall be effective on the signature date below.

DATED this 8th day of Nov, 2010.

UTAH DIVISION OF REAL ESTATE


Deanna Sabey, Director
Division of Real Estate

Notice of Right to Administrative Review

Review of this order may be sought by filing a written request for administrative review with the Executive Director of the Department of Commerce within thirty (30) days after the issuance of this order. Any such request must comply with the requirements of Utah Code Ann. § 63G-4-301 and Utah Admin. Code R151-46b-12.

CERTIFICATE OF MAILING

I hereby certify that on the 8th day of November, 2010, a true and correct copy of the foregoing document was sent first class mail, postage prepaid, to the following:

Daron Wilson LeBlanc
719 South 590 East
Orem, UT 84097

Renda Christensen